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ANNUAL REPORT OF THE RESERVE FORCES POLICY BOARD, FISCAL YEAR 1--ETC(U)
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**ANNUAL REPORT
OF THE
RESERVE FORCES POLICY BOARD
FISCAL YEAR 1977**

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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

JAN 12 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Annual Report of the Reserve Forces Policy Board
for Fiscal Year 1977 (Including Transition Quarter)

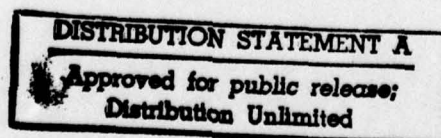
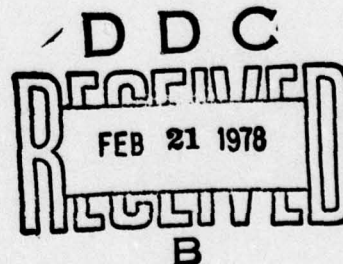
This forwards the Annual Report of the Reserve Forces Policy Board (RFPB) in accordance with Title 10, United States Code, Section 133(c) (3).

The Reserve Forces Policy Board is by statute, Title 10, United States Code, Section 175, "the principal policy adviser to the Secretary of Defense on matters relating to the reserve components."

While recognizing the considerable progress already achieved in improving the readiness of Guard and Reserve Forces, the RFPB report comments on the problems which still confront the Department. The Board has produced useful recommendations, and the Department expects the Board to continue to provide valuable assistance in bringing about further readiness improvements.



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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

JAN 12 1978

Honorable Walter F. Mondale
President of the U. S. Senate
Washington, D. C. 20510

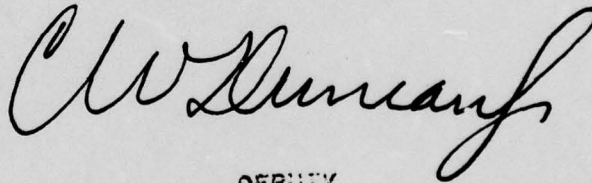
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Sincerely,



DEPUTY

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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

JAN 12 1979

Honorable Thomas P. O'Neill, Jr.
Speaker of the House of Representatives
Washington, D. C. 20515

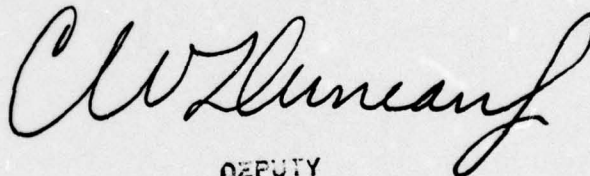
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Sincerely,

A handwritten signature in dark ink, appearing to read "C. W. Lunn". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

DEPUTY

ANNUAL REPORT
OF THE
RESERVE FORCES POLICY BOARD
FISCAL YEAR 1977
(Including Transition Quarter)

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INTRODUCTION

At the outset of the new Administration, President Carter stated his determination that the National Guard and Reserve forces be given needed attention so that these forces can fulfill their vital role in the nation's defense strategy.

That such attention is needed can be clearly seen from information set forth in this Annual Report of the Reserve Forces Policy Board. As the statutory "principal policy adviser to the Secretary of Defense on matters relating to the reserve components" (10 U.S.C. 175), the Board is required to comment in its Annual Report on the reserve programs of the Department of Defense.

A recent statement by the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) succinctly and accurately described the current status of the Reserve Forces -- they are "better than they are generally given credit for being, but are still not as good as they must be to insure a viable total force."

The nation today expects more of its Reserve Forces than ever before. There is simply no feasible alternative to a dependence on these forces for a substantial part of our mobilization capability, both in combat units of all Services and in the equally necessary support forces.

In recent years considerable progress has been made in improving the readiness of the Guard and Reserve forces; in fact, more progress than some of the arbitrary readiness measurement systems indicate. But much more progress is needed.

Following a major study of its role and operating mode two years ago, the Reserve Forces Policy Board decided to apply the criterion of readiness to its deliberations; that is, to confine its work to study and preparation of recommendations which would contribute to readiness improvement.

The principal readiness problem of most of the Reserve Components today is their inability to recruit and retain adequate personnel to meet strength requirements. This deficiency has contributed to other readiness difficulties, particularly unit training.

In the area of training, improvements are being made through the initiative of unit commanders and the greater use of

simulators and other training devices. However, much more needs to be done, particularly for weekend training.

The payoff of readiness comes when units are ready for rapid mobilization and deployment. The Board devoted major attention during the past year to mobilization and deployment planning and will continue this emphasis in FY 1978.

During the past year the Board has been afforded full cooperation by the Secretary of Defense, the Deputy Secretary of Defense and the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), enabling the Board to review proposed policy changes and submit its recommendations in timely fashion.

On the occasion of the 25th anniversary of the Board as a statutory body, Honorable John Slezak retired after 20 years of service as Chairman of the Board. Addressing the Board on September 1, 1977, the Deputy Secretary of Defense congratulated Chairman Slezak for his "superb record" and said "We should also celebrate the demonstrated value of this Board." He cited past contributions of the Board to defense planning and emphasized that the Department of Defense is looking to the Board "for further ideas and initiatives to bring about improvements in our Reserve Forces."

As recently as September 30, 1977, President Carter stated: "My Administration is committed to ensuring that these vital (National Guard and Reserve) forces are fully manned, well trained, well equipped and capable of rapid mobilization and integration into the active force in time of national emergency."

The goal of the Reserve Forces Policy Board will be to assist the Secretary of Defense in carrying out that commitment.

READINESS

As stated in the Introduction, the Board is concentrating its effort on readiness-related activities. During FY 1977 these consisted of studies conducted by the Board and the review and analysis of studies performed by other organizations. They included:

- o A Readiness Assessment of the Reserve Forces, including recommendations for readiness improvement. This was a major undertaking performed by the Board for the Deputy Secretary of Defense. It is summarized below.
- o Several activities related to Reserve Force strength and structure:

Evaluation and comment on draft papers at several stages of the Review of National Guard and Reserve Forces, a broad study of the efficiency and effectiveness of the Reserve Forces, conducted by the Office of the Assistant Secretary of Defense (Program Analysis and Evaluation). This project had not been completed at the end of FY 1977.

Board review of the continuing critical problem of declining strength of the Selected Reserve and submission of recommendations to the Secretary of Defense for methods of solving the problem.

An RFPB review, at the request of the Secretary of Defense, of the FY 1978 strength requirements of the Naval Selected Reserve.

Deliberations concerning the serious situation regarding the rapidly declining strength of the Individual Ready Reserve (IRR); monitoring and review of progress of a Deputy Assistant Secretary of Defense (Reserve Affairs) study to explore the feasibility of direct enlistments of non-prior service personnel into the IRR.

- o Monitoring of progress in another Deputy Assistant Secretary of Defense (Reserve Affairs) study of alternative methods of providing full-time personnel for the training and administration of Reserve Components.
- o Participation in a major DoD study of the problems of mobilization and deployment planning. The Board independently prepared a report for the Chairman of the DoD Study Steering Group, including a comprehensive set of recommendations.

The above areas of activity are described more fully in the following paragraphs.

Readiness Assessment of the Reserve Forces

In response to a briefing paper submitted in January 1977 to the new Secretary of Defense on capabilities and limitations of the Reserve Forces, the Deputy Secretary requested that the Board submit its recommendations for readiness improvements. In formulating its recommendations, the Board first made an assessment of current readiness in terms of the basic elements of readiness: personnel strength, personnel qualification, equipment on hand, equipment status, and unit training. Highlights of the Board's readiness report submitted June 30, 1977 follow:

Personnel Strength. The most serious impediment to the improvement of the Reserve Force readiness is failure to maintain the required personnel strength. In two years the Selected Reserve had suffered a net loss of nearly 100,000. These losses when coupled with the severe decline in the Individual Ready Reserve are cause for alarm, since they jeopardize our ability to accomplish the Reserve Forces' NATO mission. Most of the loss is due to shortfalls in recruiting and retention.

Personnel Qualification (Individual Training). A principal deterrent to improved qualification of individuals has been the rapid turnover of personnel caused by failure to retain the needed number of first-term enlistees. A contributing factor has been the turbulence caused by reorganizations within the force structure and the associated relocation of units and personnel. The need for stability is great.

Equipment on Hand. Major improvements have been made in recent years. Continuation of present policy of issuance of equipment on the basis of mobilization priority and continued attention to the equipment needs of the Total Force will in due course enable the Reserve Components to fully satisfy this element of readiness.

Equipment Status. Although steady improvements are being seen, progress is hampered in some areas by (a) insufficient qualified manpower to maintain the equipment (and a consequent reduction in the time available for individual and unit training), and (b) budgetary constraints affecting modernization of equipment, particularly with regard to certain aircraft, communications equipment and other high dollar value items.

Unit Training. Unit training is constrained by the other elements of readiness - personnel strength, personnel qualification, equipment on hand and equipment status. Many steps have been taken to correct shortcomings but unit training at weekend drills is still a serious problem. Several conditions still prevail which adversely affect unit training and thus prevent the Reserve Forces from achieving the required readiness levels.

- o Inadequate simulators and other modern training devices.
- o Undue administrative burden at the small unit level, including necessity to continually conduct recruiting.
- o Required equipment maintenance (taking time away from training) in units with less than 100% personnel strength.
- o Overly stringent, time consuming, weapons security procedures.
- o Too frequent and sometimes redundant inspections, visits, and evaluations from higher command levels.
- o Lack of adequate Inactive Duty Training (IDT) facilities.

In addition to its assessment of current readiness, the Board also discussed two broad questions, which set the context for its recommendations.

What do we expect of the Reserve Forces? We expect a higher state of readiness for mobilization and deployment than the Guard and Reserve have ever achieved in the history of our country.

How close are we to attainment of our expectations? The answer varies greatly among the Reserve Components. Most aviation units in all Services are capable of mobilizing and deploying in a few days. On the other hand, the ground forces of the Army and Marine Corps are plagued by serious personnel shortages and the associated low levels of individual and unit training. Recruiting and retention is the major problem which must be solved.

The Board made the following eight recommendations:

1. That the Secretary of Defense announce a positive Total Force Policy of reliance on the Reserve Forces along with an assurance of adequate resources and an insistence on highest standards to meet readiness requirements.

2. That the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) institute a program of periodic meetings with the Chiefs of Reserve Components and the appropriate officials of OSD and the Services to review progress in the attainment of Reserve Forces readiness objectives.
3. That the Secretary of Defense and/or the Deputy Secretary of Defense meet with the Reserve Forces Policy Board at least annually to discuss the progress achieved from the perspective of the non-active duty leadership of the Reserve Forces and to secure additional recommendations for continued improvement in readiness.
4. That the Department of Defense aggressively support the enactment of legislation to authorize selective use of educational incentives for recruiting and reenlistment bonuses for retention of enlisted personnel in the Selected Reserve; that the planned test of these incentives be conducted on a broad enough base to measure the probable effects. The Board believes such a program would materially contribute to solution of many of the readiness problems discussed in this report. It would reduce turnover and thereby facilitate individual personnel qualification, it would free commanders from much of their time devoted to recruiting, enabling them to concentrate on unit training. It would raise the quality of enlistments and over time provide for better selection of noncommissioned officers on whom so much depends in Reserve Component units.
5. That the Department of Defense give priority attention to an acceptable method of reconstituting a pool of pre-trained manpower for mobilization to provide fillers for units and to replace combat losses.
6. That the Military Departments direct a drastic reduction in the administrative requirements placed on Reserve Component units; the objective is the elimination of redundant or unnecessary reports and inspections or visits by higher headquarters.
7. That the need for additional full-time personnel for some Reserve Component units, notably in the Army, be recognized and that funds be budgeted to measure the requirements and test the effects of adding full-time personnel to plan and supervise training at the small unit level.
8. That the Department of Defense and the Services more clearly adhere to the policy that Reserve Component unit reorganizations be limited to those required for equipment modernization or changes in contingency plans.

Positive actions have been taken by the Department of Defense and the Services on most of the above recommendations since the Board's report was submitted on June 30, 1977.

Review of National Guard and Reserve Forces

In January 1977, the Secretary of Defense directed that a major study be undertaken within OSD to include:

- o A full review of the currently stated requirements for Reserve and National Guard Forces.
- o A frank assessment of their present capabilities.
- o An identification of what resources would be required to bring to an adequate state of readiness those forces which could contribute to U. S. combat capabilities within 60 days from mobilization.
- o An identification of those units whose functions are such that they would have little impact on U. S. war fighting capabilities within 180 days of mobilization.
- o Identification of ways in which Guard and Reserve forces could be used in support of non-military local, state and Federal Government activities.

In fulfillment of its responsibility, the Board has participated in this study from its inception through a committee of Board members serving as an in-house advisory body to the Study Group. The committee has met with the Study Group several times and submitted comments and recommendations on each set of draft papers.

The Board reviewed and formally concurred in the comments which its committee submitted. The Board expressed its serious concern that the study has not yet adequately addressed the issues presented by the Secretary of Defense, has not sufficiently recognized the seriousness of the manpower problem as the major deterrent to readiness and has not given adequate recognition to the major improvements in the Reserve Components achieved in recent years.

At the September 1977 meeting of the Board, Deputy Secretary of Defense Duncan noted the Board's participation in the study and told the Board, "We expect you to advise us on the implementation of those steps which are eventually taken." The Board intends to do just that.

As FY 1977 ended the study was far from being completed. Discussion of the issues and work on the problems are continuing.

Naval Reserve Strength

On two occasions during the past year the Board has reviewed the continuing controversy over Naval Selected Reserve strength. Acting upon a request by the Secretary of Defense in September 1976, the Board conducted a detailed review of this issue. In this endeavor, the Board sought to place the issue in perspective and, utilizing information already available, to advise the then Secretary of Defense in his FY 1978 program decision regarding the strength of the Naval Selected Reserve. The Board's review included an analysis of all pertinent planning, programming, and budgeting documents, Congressional hearings, and discussions with various components of the Navy and OSD staff offices.

The Board proceeded by first evaluating the process by which the Navy currently develops its requirements for mobilization manpower, including the Selected Reserve. The Board concluded that the formal process which the Navy instituted for FY 1977 represented a significant improvement over former practices, that the process is logical and, therefore, that the derived mobilization requirement (304,000 within 3 months, including 102,000 Selected Reserve) is credible. The Board also noted that if Total Force planning is to become a reality, then the Navy's mobilization requirements must be developed from a zero base of both Active and Reserve requirements. Thus, there is a need for yet another stage of evolution in the process.

Above all, the Board concluded the greatest need of the Naval Reserve is stability. Recent years have been characterized by constant reorganization, resulting in a loss of effectiveness, efficiency and morale. Further changes in the force should be more evolutionary.

Again in the OSD review of the Service FY 79-83 Program Objective Memoranda, the Board reviewed the issue of Naval Selected Reserve strength. Again the Board urged that stability in the force be given top priority. The Board repeats the warning expressed in its Annual Report last year that "If reasonable stability is not achieved, the Naval Selected Reserve may be destroyed as a viable force." The Board believes this concern is gaining increased recognition within the Department of Defense and the Congress.

Individual Ready Reserve

The Board has repeatedly expressed its serious concern about the dependence of defense plans on the Individual Ready Reserve. Commenting on the Total Force Study in 1975, the Board cautioned that heavy reliance on the IRR for quick mobilization was a highly questionable policy. This concern of the Board has been justified by the drastic decline in the strength of the IRR in the past few years. As shown in Table I, IRR manpower has dropped from 1,239,000 on June 30, 1973 to 384,000 on September 30, 1977. The problem is most acute in the Army where IRR (enlisted) strength had dropped to about 105,000 by September 30, 1977, resulting in a mobilization shortfall of around 350,000 or more, depending upon analysis of manpower available from other sources. This trend is certain to continue under present conditions. The Army predicts an IRR (enlisted) strength of only 61,000 by FY 82.*

There are several factors which must be considered when viewing the problem of low IRR strength and which give rise to further concern. First, the common assumption is made in defense manpower planning that a full mobilization would produce a yield or "show rate" of 70% from the IRR. The Board's opinion is that the actual yield would vary considerably depending on the specific circumstances surrounding the mobilization and upon the prevailing attitudes among the general population at the time of call-up. Thus, the Board concurs with the Defense Manpower Commission's judgement (in its 1976 report) that the 70% yield assumption needs to be re-evaluated.

A second factor which must be considered is the degree to which a mismatch is likely between the required rank/skill mix and the distribution of these characteristics among the IRR personnel that would result from a mobilization. Thus, it is not much of an exaggeration to ask: "To what extent will the IRR be comprised of 40 year old E-8 Specialists when the crying need is for 20 year old E-3 infantrymen?" Thus, the composition of the IRR force is an additional area of grave concern that is being examined.

The third factor has to do with the relationship between the mission of the IRR vis-a-vis the capabilities of the Selective Service System. The primary role of the IRR is to provide active and reserve unit fillers and combat casualty replacement personnel until new personnel can be acquired via the Selective Service System and trained.

* Army strength projection prepared by USARCPAC May 1, 1977

TABLE 1

INDIVIDUAL READY RESERVE STRENGTH

End of FY	Total All Services (000s)	Annual Change (000s/%)
1973 ¹	1,239 ^{2,3}	- 298/24%
1974	941 ²	- 287/31%
1975	654 ²	- 160/24%
1976	494 ²	- 110/22%
1977	384 ⁴	

Note: Numbers are rounded
USCGR included with DoD Components

1. Last year of draft.
2. Source: Annual Report of the Secretary of Defense on Reserve Forces, Fiscal Year 1976 and Transition Quarter; page 10; Appendix E-1, page 5.
3. Source: Annual Report of the Secretary of Defense on Reserve Forces, Fiscal Year 1973; Appendix E-1, page 7.
4. Source: Official Guard and Reserve Manpower Strengths and Statistics (Reserves not on Active Duty), September 30, 1977; DD-M(M)1147.

Because of the dismantled state of the Selective Service System, approximately 210 days would be required to acquire and train significant numbers (100k) of new personnel available for deployment. Thus, it is essential to understand the implications of this situation. The slow response of the Selective Service System would place on the IRR a requirement which it could not fulfill in supplying needed replacements and fillers. The Board strongly feels that improvement must be made in Selective Service System response times to Department of Defense requirements.

The Board sees no quick or easy solution to the problem of maintaining IRR strength or of finding another method of providing the needed pool of pretrained mobilization manpower. At the end of FY 1977, the Department of Defense was engaged in a study of the feasibility of direct enlistments of non-prior service personnel into the IRR. The Board has contributed its comments on the design and progress of this much-needed study. The Board recommends the continued development and analysis of alternative proposals. Only by such efforts can reasonable and effective solutions be developed. The need is urgent.

Full-Time Training and Administration of the Selected Reserve

In its report in 1976, the Defense Manpower Commission indicated that substantial savings might result by replacing full-time technicians engaged in the training and administration of Reserves with active duty guardsmen and reservists. Accordingly, the Deputy Assistant Secretary of Defense (Reserve Affairs) initiated a study of this subject in FY 1977. The study was to examine all systems in current use which utilize full-time personnel in the training and administration of Reserve Components, and to develop and analyze alternatives, including their impact on mobilization. The Board has kept in close touch with this study and was briefed on the study at three of its quarterly meetings. The Board highly commends the thorough and objective manner in which this study has been conducted and believes the final report will have lasting value in many ways. As FY 1977 ended, the study was nearing completion. The Board will participate in future reviews of the results and any implementation of recommendations.

Mobilization and Deployment Planning

The problems of mobilization and deployment planning are continuing to receive priority attention in the Department of Defense. The major Department of Defense study of mobilization and deployment planning, initiated in FY 1976, continued into FY 1977. The RFPB has maintained a high level of interest and participation in this important study. The subject has been one of the key areas of discussion at each of the Board's meetings in the past year. Members of the Board have participated in numerous meetings, briefings, and working sessions with representatives of OSD and the Military Departments. A special Mobilization and Deployment Committee of the Board was appointed to work on this project. The committee submitted its report on September 1, 1976, to the Deputy Assistant Secretary of Defense (Planning and Requirements), Chairman of the DoD Study Steering Group.

The report contained a comprehensive set of specific recommendations for the improvement of mobilization and deployment planning for the Reserve Forces. The recommendations covered eight areas: (1) Unit Readiness Reporting Procedures, (2) Clothing and Individual Equipment, (3) Force Structure, (4) CONUS Transportation Planning, (5) Personnel Processing, (6) Mobilization Station Capability, (7) Mobilization and Deployment Testing, and (8) Legal Opinion Regarding Alert Time/Rapid Mobilization.

The Mobilization and Deployment Committee of the Board in November 1976 visited three installations participating in MOBEX 76, an Army Mobilization Command Post Exercise. The Board commended the Army for conducting the exercise and for initiating many actions to correct the discrepancies noted during the exercise. The Board recommended a Joint Service mobilization exercise as early as possible, and the Army has now proposed such an exercise in FY 1979. The Board is of the opinion that substantial improvements in mobilization and deployment planning are now underway, but that significant additional improvements are still required. The Board will continue to give this subject priority attention during the coming year.

RECRUITING AND RETENTION

Recruiting and retention are the most critical problems facing the Reserve Forces today. The Board has long recognized the problems encountered in recruiting and retaining personnel and expressed concern in its FY 1975 and FY 1976 Annual Reports. At its March 1977 meeting, the Board devoted a full day to discussing mobilization manpower requirements, motivation of personnel, and recruiting and retention problems. As a result of these discussions, the Board unanimously recommended that the Department of Defense support in principle the Reserve Component recruiting and retention incentive legislation then pending in Congress. The Board emphasized that the proposed legislation was permissive in nature and would authorize the selective use of incentives as needed. The Board again reviewed recruiting and retention during its June meeting and reiterated its views.

The manpower situation in the Selected Reserve is illustrated by Table 2, which compares actual strength with both wartime manpower requirements for the Selected Reserve and FY 77 authorized strength. The strength objectives authorized have been reduced in anticipation of recruiting difficulties. Thus the shortfall from authorized levels understates the real need. Even when comparing total actual strength with FY 1977 total authorized strength, the situation is discouraging: The total shortfall is about 65,000 or 7%. Table 3 shows that since the termination of the draft in 1973 the Selected Reserve strength has declined 110,000 or approximately 12%.

The end of the draft forces the Reserve Forces to compete for personnel in the open market. When the draft ended and the All Volunteer Force was instituted in 1973, DoD and Congress determined that enlistment and continued use of reenlistment bonuses were necessary to maintain the Active forces at required strengths. DoD has found that these incentives are essential to the maintenance of active force levels. The need for similar incentives for the Reserve Forces is now evident. Over the past five years, the Board has on several occasions recommended that the DoD should have standby authority to utilize some form of recruitment and retention incentives for the Reserve Components. The Board reiterates a statement made in its FY 1976 Annual Report "...that the time has come when special incentives for the Reserve Forces must be considered and urges that action be started now on their design and implementation." The Board is encouraged and highly supportive of the DoD decision to initiate a program for testing the effectiveness of such incentives. The

TABLE 2
SELECTED RESERVE MANPOWER
(Average Strength)
(000s)
FY 1977

COMPONENT	STRENGTH (000s)			SHORTFALLS (000s/%)	
	Wartime Manpower Requirements for Selected Reserve ¹	Authorized ¹ (PL 94-361)	Actual ²	Actual vs War-time Manpower Requirements	Actual vs Authorized
ARNG	432	390	358	74/17%	32/8%
USAR	264	212	190	74/28%	22/10%
USNR	102	97	94	8/8%	3/3%
USMCR	37	33	30	7/19%	3/9%
ANG	100	93	91	8/9%	2/2%
USAFR	56	52	49	7/13%	3/6%
USCGR	22 ³	12 ³	12 ³	4/18%*	0/0%
TOTALS	1012	889	824	188/19%	65/7%

(Note: Columns may not add due to rounding)

1. Source: Office, Deputy Assistant Secretary of Defense (Program Management)
2. Source: Averages computed from Official Guard and Reserve Manpower Strengths and Statistics (Reserves not on Active Duty), September 30, 1977; DD-M(M)1147
3. U. S. Coast Guard Statistics
 - * Adjusted to reflect preordering of 6000 IRR to meet unfilled early response Selected Reserve requirements.

TABLE 3
SELECTED RESERVE AVERAGE STRENGTH
(000s)

	FY 1973 ¹	FY 1974 ²	FY 1975 ³	FY 1976 ⁴	FY 1977 ⁵
ARNG	388.0	394.4	394.1	380.4	358.3
USAR	234.1	230.0	229.9	213.5	190.3
USNR	128.3	117.9	108.0	98.3	93.8
USMCR	34.8	33.7	32.2	31.3	29.8
ANG	90.4	92.1	94.0	92.9	91.4
USAFR	46.8	44.0	46.6	49.8	48.6
USCGR	11.2	11.4	11.7	11.7	11.6 ⁶
TOTAL	933.5	923.4	916.4	877.9	823.6

(Note: Columns may not add due to rounding)

1. Source: Annual Report of the Secretary of Defense on Reserve Forces, Fiscal Year 1973; page 2.
2. Source: Annual Report of the Secretary of Defense on Reserve Forces, Fiscal Year 1974; page 2.
3. Source: Annual Report of the Secretary of Defense on Reserve Forces, Fiscal Year 1975; page 4.
4. Source: Annual Report of the Secretary of Defense on Reserve Forces, Fiscal Year 1976 and Transition Quarter; page 9; Appendix E, page 20.
5. Source: Averages computed from Official Guard and Reserve Manpower Strengths and Statistics (Reserves not on Active Duty), September 30, 1977; DD-M(M)1147.
NOTE: Does not include USCGR Strength.
6. Source: U. S. Coast Guard Statistics

current test in the Army Guard and Army Reserve plus other market analyses should result in the design of effective incentives which can be selectively implemented under authority recently granted by the Congress.

The Board dealt with two programs directly related to recruiting and retention -- the Reserve Compensation System Study and the Employer Support Program.

Reserve Compensation System Study

The Reserve Compensation System Study (RCSS) was undertaken by the Office of the Secretary of Defense in 1976 in response to a mandate from the President to perform a comprehensive review of the current Guard and Reserve compensation system and to evaluate its effectiveness regarding the recruitment and retention of the requisite number of properly qualified personnel.

The RFPB established a special committee of Board members to advise the study group and to keep the Board apprised as the RCSS progressed. The Board has remained cognizant of the many facets involved in compensation and recognizes the complexity of the subject. The Board is concerned with the large number of complex issues to be studied and the lack of specificity regarding some elements of compensation that are included or not included in the study. The Board has expressed these concerns within the Office of the Secretary of Defense.

The new Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) in early 1977 reviewed the RCSS study plan and the progress achieved. As a result of this review, he established a completion date of June 30, 1978, and re-oriented the RCSS by issuing additional guidance.

As part of this re-direction, he also assigned the RCSS to recommend a DoD position on current proposals or develop an alternate proposal for a survivor benefit plan to protect the widows or other beneficiaries of retirement-eligible Reservists who die before age 60.

The concept for a survivor benefit plan which would solve this serious equity problem at no net cost to the government had been developed jointly by the previous Deputy Assistant Secretary of Defense (Reserve Affairs) and a member of the RFPB. Upon subsequent development of the RCSS proposal, the Board recommended it be refined. After refinement, the RFPB formally endorsed the plan and recommended that the Department of Defense support it.

Employer Support of Guard and Reserve

The National Committee for Employer Support of the Guard and Reserve (NCESGR) was created by Presidential action in June 1972 as a result of recommendations for such a program submitted earlier by RFPB. Its mission is to enlist the support of employers for personnel policies which will encourage employee participation in the Guard and Reserve programs, including reenlistment.

The NCESGR became aware of indications during the past year of a declining interest on the part of some employers to encourage participation in Guard/Reserve activities, not only in the private section but also by federal, state, county and municipal employers.

To attack these problems a revitalization of NCESGR activity has been approved. A program is being initiated which will utilize local Guard and Reserve commanders in the conduct of a "grass roots" campaign to develop among the smaller employers and first line supervisors an understanding of the important mission assigned to the Reserve Forces under the Total Force Policy. This program involves the establishment of State Committees which will coordinate activities within each state in support of the NCESGR program.

The NCESGR has requested the assistance of the RFPB in matching its program to the specific needs of the Reserve Components.

The RFPB firmly and fully supports the NCESGR in its efforts to carry out its assigned task. The task is a difficult, but most important one and in view of the critical nature of the recruitment and retention problems, the Board stands ready to assist in every way within the means at hand.

OTHER ISSUES BEFORE THE BOARD

In addition to its primary areas of activity, the Board also dealt with two other issues: DOPMA/ROPMA and Unionization.

DOPMA/ROPMA

The RFPB is mandated by statute (10 USC, Section 133(c)(3)) to include in its Annual Report a review of the effectiveness of the Reserve Officer Personnel Act (ROPA) of 1954, as amended. The Board has followed with keen interest the development of the Defense Officer Personnel Management Act (DOPMA) due to the implications for the development of a Reserve Officer Personnel Modernization Act (ROPMA).

A committee formed by the Board in FY 1976 has actively followed and reviewed DOPMA/ROPMA proposals. The committee has received several briefings and has also responded to requests for assistance by the OSD staff. The committee was most recently briefed in late June by OSD staff.

The Board has strived to remain cognizant of all developments in DOPMA, and its posture is one of full support. The Board also supports the ROPMA legislative proposal as it has been developed within DoD. Staff work is continuing.

Unionization

The Board believes that the threat of unionization is serious. The threat to the Reserve Forces is just as dangerous as the threat to the Active Forces. In some respects the Reserve Forces are more vulnerable because many members are in unions in their civilian endeavors and many full-time technicians are already unionized. Military discipline and combat readiness are incompatible with the concept of unionization. The Board reviewed a proposed DoD directive setting forth policy regarding affiliation by members of the Armed Forces with organizations whose objective is to represent its members in negotiating or bargaining with respect to terms and conditions of military service (i.e., military unions). The Board's comments were taken into account in the final version of the directive.

OPERATIONS OF THE BOARD

The Board has had an active and productive year with several events and changes to report.

Twenty-Fifth Anniversary

The 25th anniversary of the Board as a statutory body was celebrated at the September 1977 meeting. The Honorable Harold Brown, Secretary of Defense, wrote to the Chairman of the Board offering his congratulations and commented "In its quarter century of service to the Department of Defense, the recommendations of the Reserve Forces Policy Board have contributed immeasurably to the expanded role of the Reserve Forces in our national defense."

Deputy Secretary of Defense Charles W. Duncan, Jr. addressed the Board September 1, 1977, congratulated Chairman Slezak on a "superb record" and cited the Board's history of supplying many proposals which had been successfully implemented to improve the capability of the Reserve Forces. He charged the Board to produce "further ideas and initiatives to bring about improvements in our Reserve Forces," particularly in the areas of mobilization and deployment capability.

Chairman Retires

The Honorable John Slezak, Chairman of the Board, announced his retirement from the Board effective September 2, 1977. Mr. Slezak received the Department of Defense Medal for Distinguished Public Service. It was the second award of the Department's highest civilian service award to Mr. Slezak who served 20 years as Chairman of the Board.

New Chairman Appointed

Secretary of Defense announced on August 30, 1977, his appointment of Mr. Louis J. Conti as the new Chairman of the Reserve Forces Policy Board. Mr. Conti, Senior Vice-President and Director of GATX Corporation of Chicago, had just completed a three-year term of service on the Board as one of its twelve non-active duty Reserve officer members during which he chaired several committees.

Field Trip

A Reserve Forces Policy Board group of 14 members visited units and installations of all seven Reserve Components in Louisiana in September 1976. It is believed this was the first time the RFPB had made a field trip as a group for the specific purpose of visiting units of all the Reserve Components. The basic objective of the visit was to increase the Board members' knowledge of current training and readiness problems of Reserve Component units in all the Services. A synopsis of general observations made by the group are:

- o Reserve Components which have close working relationships with Active Force units invariably have higher morale and retention rates, and all indications are that they have higher overall readiness.
- o The similarity of problems in all Reserve Components was evident.
- o The Total Force Policy must be explained to personnel at all levels repeatedly.
- o Within the Reserve Components, the command leadership appears much stronger at the O-6 and O-5 command level than at lower levels.

Committee System

The Board has continued to improve its effectiveness by the establishment of committees composed of Board members to examine specific issues and conduct studies of matters brought before the RFPB. At the time of this report the Board is maintaining two standing committees, (1) Personnel and (2) Force Utilization, and five special committees, (1) Mobilization and Deployment, (2) Program Objective Memorandum, (3) Reserve Officer Personnel Modernization Act, (4) Planning, Programming and Budgeting System, and (5) Reserve Compensation System Study.

OUTLOOK FOR FY 1978

The issues to be dealt with by the RFPB in FY 1978 will continue to be those which arise from the fundamental question: "How do we ensure that the Reserve Forces are capable of fulfilling their role under the Total Force Policy?" Or, simply, "How do we ensure readiness?" This basic question translates into several dimensions, each of which will, at any given moment, give rise to a number of current issues: (1) Determination of correct mission, proper organizational structure and required strength (force structure), (2) Acquisition and maintenance of required strength (recruiting and retention), (3) Ensuring that response times are realizable (mobilization and deployment) and (4) Ensuring that units can fulfill their missions in timely fashion (training).

Thus, the Board's specific activities in FY 1978 will include the following:

- o Continued participation in the DoD Study of the National Guard and Reserve Forces. The Board will respond to the Deputy Secretary of Defense's comment that "...we expect you to advise us on the implementation of those steps which are eventually taken."
- o Recruiting and Retention. The Board will continue to lend its support to efforts to obtain effective incentives for recruiting and retention. The Board will also continue its involvement with (1) the Employer Support of Guard and Reserve Program, (2) the Reserve Compensation System Study, and (3) development of a Reserve Officer Personnel Modernization Act (ROPMA).
- o Mobilization and Deployment Planning. This topic is gaining momentum in the Congress, as well as in the Department of Defense. The Board will give it priority attention.

The Board will, of course, be ready to assist the Secretary of Defense on whatever new issues that may arise during the year. The Board will also continue efforts to improve its effectiveness through further implementation of the conclusions in its 1975 study of the role of the RFPB.

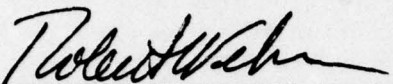
The Board has continued to submit required quarterly reports to the House and Senate Armed Services Committees, providing summaries of issues discussed and recommendations formulated at each quarterly Board meeting. Comments and questions about these reports are, of course, welcomed by the Board at any time.

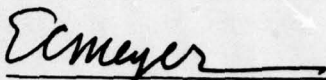
In closing the Board expresses its deep appreciation to the Secretary of Defense, the Deputy Secretary of Defense and the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) for the full measure of cooperation with the Board, enabling us to fulfill our statutory responsibility.


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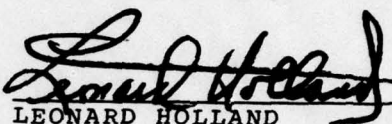

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CHAIRMAN


Department of the Army

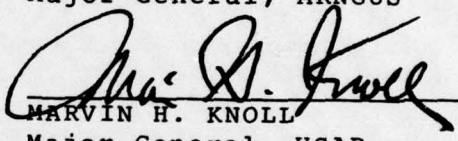

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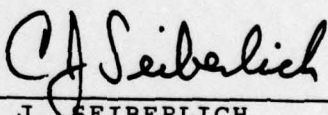

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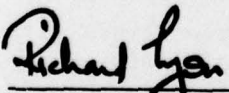

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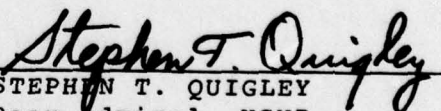

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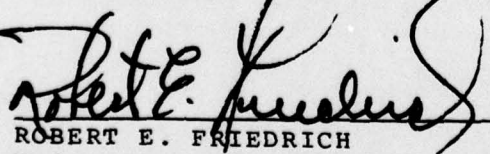
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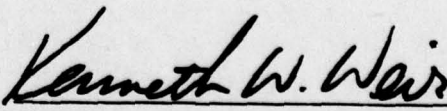

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